English versions) promulgated by the President on the 27th September, 1991, under article 123 (2) (a) of the Constitution.[Placed in Library *See* No. LT-712/91]

(*Interruptions*)

SHRI SRIKANTA JENA (Cuttack) Sir, we are all concerned about the behaviour of the Election Commission. The Election Commission is totally partial...(*Interruptions*)

14.13 hrs.

ANNOUNCEMENT BY DEPUTY - SPEAKER

[*English*]

MR. DEPUTY-SPEAKER: In connection with the discussion of the Statutory Resolution regarding approval of the Proclamation issued by the President under article 356 of the Constitution in relation to the State of Meghalaya in the House today, copies of the Proclamation, Order issued in pursuance of the Proclamation and Governor's Reports are available at the Publications Counter.

Members may please collect copies thereof from the Publications Counter.

14.13 1/2 hrs.

RESIGNATION BY MEMBER

[*English*]

MR. DEPUTY-PEAKER: I have to inform the House that Shri Gangula Prathap Reddy, an elected Member of this House from Nandyal constituency of Andhra Pradesh handed over a letter to the hon. Speaker personally on 23rd September, 1991 resigning from membership of Lok Sabha with immediate effect. He accepted his resignation with effect from 23rd September, 1991.

(*Interruptions*)

MR. DEPUTY-SPEKAER: Kindly take your seats.

(*Interruptions*)

MR. DEPUTY-SPEAKER: Shri Srikanta Jena, Kindly exercise your influence over your friends. Kindly take your seats.

(*Interruptions*)

SHRI B. VIJAYKUMAR RAJU: Sir when we were raising this point, the Speaker adjourned the House...(*Interruptions*)

MR. DEPUTY-SPEAKER: I request the hon. Members to take their seats.

(*Interruptions*)

MR. DEPUTY-SPEAKER: Hon'ble Members, you are men of experience. You were in the Government and you shall have to be in the Government. You have got an opportunity to ventilate your grievances. Let us follow certain rules. We have made rules and we shall also respect the rules.

(*Interruptions*)

14.16 hrs.

SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) AMENDMENT BILL

[*English*]

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): I beg to move for leave to introduce a Bill to amend the Sick Industrial Companies (Special provisions) Act, 1985.

MR. DEPUTY-SPEAKER: Motion moved:

> "That leave be granted to introduce a Bill to amend the Sick Industrial Companies (SpecialProvisions) Act, 1985".

(*Interruptions*)

14.17 hrs.

At this stage. Shri Hari Kishore Singh and some Other Hon. Members came and stood on the Floor near the Table

MR. DEPUTY-SPEAKER: My request is that day after tomorrow we are meeting and you can raise this issue on that day.

(*Interruptions*)

MR. DEPUTY SPEAKER: This matter can be raised day after tomorrow.

(*Interruptions*)

MR. DEPUTY SPEAKER: I agree that you are very much agitated. Now, please allow the House to go ahead with the regular Agenda.

(*Interruptions*)

MR. DEPUTY SPEAKER: Tomorrow is a holiday. Day after tomorrow you can raise the issue.

(*Interruptions*)

MR. DEPUTY SPEAKER: Kindly co-operate with the Chair. Day after tomorrow in Zero Hour you can raise the issue.

(*Interruptions*)

MR. DEPUTY SPEAKER: Kindly return to your seats. Kindly oblige.

(*Interruptions*)

MR. DEPUTY SPEAKER: Shri Srikanta Jena, abruptly the issue has been raised and the Government will not be is a position to react to it immediately. Let us not deviate from the path.

(*Interruptions*)

MR. DEPUTY SPEAKER: May I request the hon. Members to intervene and persuade our friends?...

(*Interruptions*)

MR. DEPUTY SPEAKER: I know you are very much agitated. Your have got a case and you want to present it before this House. But my humble request is that tomorrow happens to be a holiday. Day after tomorrow you have got an opportunity to ventilate your grievances. Secondly, In Tamil Nadu and Andhra Pradesh, lot of havoc has taken place. Thousands and thousands of houses are collapsed and lakhs of acres of paddy is devastated. Such important issues are also there. So, other Members are also agitated. I just requested them - Mr. Reddy and others - to take up this issue day after tomorrow after the Zero Hour as per the rules. I know injustice is done to you, that is your grievance. You have ventilated your anger and unrest on the floor of the House. May I kindly request you to resume your seats? Day after tomorrow you have got an opportunity and certainly you can ventilate your grievances then. After all, we are here to ventilate the grievances of our constituencies of the nation...

(*Interruptions*)

MR. DEPUTY SPEAKER: I tell you that by adjourning the House, the purpose will not be served...

(*Interruptions*)

MR. DEPUTY SPEAKER: I am telling you the procedure which you have yourself framed. I am telling you the rules which you have yourself framed. You have got an opportunity....

(*Interruptions*)

MR. DEPUTY SPEAKER: May I request our senior leaders to intervene and persuade them?

(*Interruptions*)

SHRI LAL K. ADVANI (Gandhi Nagar): Mr. Deputy Speaker, Sir...(*Interruptions*)

MR. DEPUTY SPEAKER: Let us hear Advaniji.

SHRI LAL K. ADVANI: Mr. Deputy Speaker, Sir, a mini general election has just ended and after that this House is meeting. In the course of this mini general election, there have been gross malpractices, very serious malpractices in Andhra and in Bihar. I would like the House to discuss both of them and I would like to say that a proper occasion should be found...(*Interruptions*). The Government should find a proper occasion. If I want to say anything about the Election Commission, I would move a proper motion; I would not raise it without a proper motion. But insofar as malpractices in elections are concerned, they should be discussed threadbare...(*Interruptions*) But for that we have to give a proper motion.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): Mr. Deputy Speaker, Sir...(*Interruptions*)

If you go to your seats, I will speak...(*Interruptions*). Mr. Deputy Speaker, Sir, let me make one thing clear. The hon. Leader of the Opposition has very clearly said that per the procedure if we want to discuss the conduct of either the Chief Election Commissioner or of an Electoral Officer, there is a proper motion to be brought, and it can be brought...(*Interruptions*). I agree with you. With regard to the malpractices in the election, I think that this is a matter which we can discuss at 3 p.m. in the B.A.C. meeting. We can decide whether we want it or not and what are the procedures which we shall be adopting. So, I do not think that we need to disturb the proceedings of the House at this juncture.(*Interruptions*)

SHRI HARI KISHORE SINGH (Sheohar): Sir, we are willing to be guided by the Leader of the Opposition. But we would like your assurance on this subject that this is going to be discussed in this House.

SHRI RAM KAPSE (Thane): The B.A.C. meeting is to be held at 3 p.m. You can discuss it at that time...

MR. DEPUTY SPEAKER: The Business Advisory Committee is meeting at 3 pm. You can make your points at that time. Shri Somnath Chatterjee to speak.

SHRI SOMNATH CHATTERJEE (Bolpur): Has the Finance Minister asked for leave to introduce the Bill?

MR. DEPUTY SPEAKER: Yes.

SHRI SOMNATH CHATTERJEE: Mr. Deputy Speaker, Sir, I rise to oppose the introduction of the Bill to amend the Sick Industrial Companies (Special Provisions) Act, 1985. I thought that this subject - 'sick industries' - came within the jurisdiction of the Industry Ministry. I do not know why the Finance Minister is moving this Bill. It is probably a part of the package of surrender that the Finance Minister alone is in charge of the entire process of surrender. A good man's image is being soiled permanently. Not only that the economic independence of the country is lost, but, in the process, we are losing the name of another good person. I know that his reputation is at stake, once he has chosen his company.

We oppose this Bill on a matter of fundamental principle. The Sick Industrial Companies (Special Provisions) Act, which was enacted, was intended to remedy the situations that were developing because of the loot and plunder by the private industrialists, of different industrial units and establishments, a victim of which was, apart from the nation, the work force.

Although the Industrial Policy Resolution of 1956 provided that the public sector will have the commanding heights of our economy, for several years now, conscious attempts have been made to denigrate the public sector, to see that the public sector gets into difficulties. I can give names of many public concerns and companies where there have been no managing directors for years together, where no attempt was made

[Sh. Somnath Chatterjee]

to carry out necessary modernisation and replace the obsolete machinery and where the funds are not injected. As a result of this, many public sector undertakings got into difficulties. That is why we have always been saying that the Government of India should take this up. What is wanting is a political will.

I charge that there has been conscious attempt on the part of the Congress Government to create a situation where public sector undertakings cannot function properly and people will lose the faith in the public sector, so that they can espouse the cause of their friends - the monopolists of this country and the private businessmen, industrialists and that is what is happening now. The object is to create a bleak picture about the functioning of the public sector so that the private sector can come back and the public sector can be given a burial.

We have now been told that the entire ills of this country are because of some public sector units. There, a paper has been circulated and I find that only 98 companies out of 300 and odd in the public sector have been mentioned to be not functioning properly. But an environment is being created in the country as if the root cause of evil is the existence of the continuation of the public sector units. This is a very serious matter. This Government has not got the courage up till now, till today, to say that they have totally jettisoned the 1956 Industrial Policy because that was the brain child of Pandit Jawaharlal Nehru and that has been adopted, and that has been followed at least on paper, they never said 'No' till today, until this new Government has come in, and now today Manmohan Singhji, I don't know how much he controls the Indian economy of the Government of India, of the Prime Minister of India. Today the Indian economy is being controlled by some people who are either sitting in the Taj Palace Hotel, I do not know which are the hotels they are now occupying at the munificence of the Government of India, who are spending the money which is provided by the poor people of this country. Therefore, today they say, 'You must give up the public sector'. Now they have not got the political courage to wind up, take a decision on their own from the Departments point of view or the Minister's point of view or the Government's point of view, for winding up this company. Therefore, they want some sort of a facade, some sort of a conduit pipe. Now, what is being done? They will end it to BIFR. Now, where is Mr. Kumaramangalam? Where has he fled? Why is he not here? He has said on the floor of the House that BIFR's functioning has been abysmal, has been dangerous so far as the sick industries are concerned. They are only for winding up of the units. No serious attempts are ever made by the BIFR to revive the companies. Now, what does the Government propose to do? Send it to the BIFR. And this great institution which has hardly any time to look after anybody's real interests, asks the workers' union. 'please find out a purchaser for your company', as if it is the job of the workers to find out purchasers, so that some purchaser will take it and say, 'Well, you have not been able to find out a purchaser, bank does not agree, under the Finance Ministry's control, the bank does not agree to give financial accomodation, they don't agree to give a moratorium. The other Ministries are not giving any respite so far as other liabilities are concerned. The excise liabilities are there and so on and so forth, income-tax liabilities are there, they are not created by the workers. All these liabilities have been created by the management. How many sick units have been revived by the BIFR? I would like the Hon. Finance Minister to take the country into confidence on how many sick companies have been really revived and how many have been directed to be wound up by BIFR during its existence. I would like to know what has been the approach of the Department of Banking, what they have done, how many banks have really come forward to help. Sir, this is a very serious matter. Now, a company like Jessop, what they will do? They will send it to BIFR and BIFR will say, 'Sorry, banks are not agreeing to give further accomodation.' Industry Ministry is not giving its blessings. No orders are being placed by the different

Government departments. They say, there is not prospect of running tham. Tharafore, they will send it to the High Court and as you know, Sir, tha Act providas that once BIFR makes a recommendation of winding up and it is sent to tha High Court, the High Court shall order winding up of the Company. When the High Court winds up the company, who are the victims? Where are the managers? They are probably given promotions because they are departmental officers. They are provided with jobs. What about the workers? And all this force of National Renewal Fund What is this money? How many people will be involved? How much will you pay, in what form or shape you will pay the money to them? These are very important questions and we have never been taken into confidence. Sir, is it a crime in this country that an ordinary individual, a citizen who is earning his livelihood by the sweat of his brow, who has to look after his family, his children, that for no fault of his he has to go on the streets? This is the fate of the citizen of independent India after 44 years of independence. They say that they shall look after the interests of the workers. This is all rigmarole; nothing has been said till today. I sympathise with Mr. Thungon. What can he do? I hope he says what he does not believe. (*Interruptions*) I would like the hon. Finance Minister to state very clearly on the floor of the highest forum of this country. Are you going to send the public sector units to the BIFR for the formulation of revival/rehabilitation schemes? Mr. Thungon added 'etc.' in the morning. This 'etc.' is the most dangerous thing, because 'etc.' will be the winding up and not revival or rehabilitation. Kindly tell us that no a single unit will be wound up. It may take little time; it may take little effort. Let him not misunderstand me, but let him think of the poor people of this country.*(*Interruptions*)

Sir, it appears to be one clause Bill, but it is a very important enactment that is going to be introduced and passed. I can assure the Hon. Finance Minister that the working class in this country will not accept this Bill. Today you may pressurise your INTUC people for the time being and your new love; their organisations may support you for the time being, but ultimately the working class will rise against this conscious and deliberate attempt to dilute the public sector in this country. The attempt to change the entira approach of this country towards the public sector by this process will not be tolerated by the working people and the common people of this country. There has to be and there will be, no doubt, protest, objection, demonstration and we shall fight and fight on the streets if necessary to prevent this obnoxious legislation from being enacted in this House. Therefore, we oppose this Bill which is the most dangerous Bill and the disintegration of the economic independence of this country which has already started will be further accelerated by this Bill, if it is introduced and enacted.

14.44 hra.

SHRI BASUDEB ACHARIA (Bankura): Mr. Deputy Speaker, Sir, this Bill is being introduced to implement the dictates of the International Monetary Fund. Today, this Session has started with the implementation of the dictates of the IMF. We have the experience of this BIFR. We have mentioned a number of times in this House as to how the BIFR is recommending for the liquidation of industrial units. A numb of industrial units are being liquidated by this BIFR. This BIFR is already over-burdened. This Board takes a number of months to take a decision on any sick undertaking.

The main purpose of this Bill is to close down the number of public undertakings. Today during the Question Hour, the Minister of State for Industry did not spell out what the Government want to do with the sick industrial units They have already taken a decision and they are proceeding with it. In the State of West Bengal, they have selected a number of undertakings and have already started taking action to close down those units. In the month of October, instructions were sent to stop the salary of the workers of

*Not recorded.

[Sh. Basudeb Acharia]

sick public sector units. They have brought forward this Bill in order to implement the conditionality, in order to close down the sick units. There are other conditionalities which have come out in the newspaper today. They now want to freeze D.A. instalments.

This is an abnoxious Bill and the working class of our country is also opposing it. The Bill is quite in contrary to what the Prime Minister has stated today morning on the floor of the House. He has stated today on the floor of the House that before taking any action, the workers should be taken into confidence. There should be a consensus. But they are now introducing a Bill to close down those units. Before preparing this draft Bill, were the trade unions consulted? They have got the experience about how BIFR are dealing with the industrial units. The main function of BIFR is winding up of sick industrial units.

The Hon. Finance Minister has made a statement in Bangkok, in order to satisfy their IMF masters, that all the sick units in our country would be closed down.

SHRI MANMOHAN SINGH: I never said that.

SHRI BASUDEB ACHARIA: That appeared in all the newspapers. But you never contradicted that. But he has not clarified. It came in all the newspapers in our country.

We oppose this Bill. As the main purpose of this Bill is to close down our public sector undertakings, we do not want this Bill.

SHRI JASWANT SINGH (Chittorgarh): Mr. Deputy Speaker, Sir, the purpose of the Bill is well understood and it is not for me to remind my very esteemed colleague from the stage of introduction of this Bill. The objections that can be raised have to be about legislative competence but I would have rather hoped that this objection about the intervention that has been made just now would come from the Treasury benches than from me.

My friend for whom I have got very high regard argued with passion and conviction that it is his belief and he gave voice to his belief that he thinks it to be a wrong measure or the substance of it.

SHRI HARI KISHORE SINGH: Are you replying on behalf of the treasury benches? (*Interruptions*)

SHRI SOMNATH CHATTERJEE: He is representing them.

SHRI JASWANT SINGH: I represent myself and my Party and I am giving my views, and I hope even Shri Somnath Chatterjee will agree to it.

SHRI SOMNATH CHATTERJEE: I hope you will agree that this is human incompetence.

SHRI JASWANT SINGH: It is an open matter. In which way he is finding that this is human incompetence? Be that as it may, he did argue with passion and conviction about the views that he held.

I do not share his views because I personally do not think that such a huge and enormous weight on the Indian economy, as the public sector, can continue to be perpetuated while still remaining sick. But it is again going into the merits and demerits of the case.

I think the interventions do not warrant much attention because they are not on the aspect of the legislative competence of this Chamber to take up or not to take up this matter.

I want to make a request and it is a request voiced earlier during question hour by my leader and the Leader of the Opposition that it would benefit us if a white paper is made available to Parliament on the existing state of the public sector units because the hon. Prime Minister said that we can have a substantive discussion on the state of the public sector units. But we cannot have it unless we know as to at what stage the public sector units are.

All that I am saying is at the stage of introduction of this measure...

SHRI SOMNATH CHATTERJEE: I am on a point of order. Rule 72 provides that in the introduction stage, only those who wish to oppose the introduction, can speak.

My esteemed friend, Shri Jaswant Singh, is not opposing the introduction. He wants to hasten the introduction. Therefore, he is not entitled to speak at all at this stage! My esteemed friend is anxious to help this meritorious Government. Now the lobby is known. The secret arrangement is no longer secret. It is now open.

Secondly, a point has been made. I am entitled to reply because my name is mentioned.

Rule 72 says:-

> "If a motion for leave to introduce a Bill is opposed, the Speaker, after permitting, if he thinks fit, brief statements from the member who opposes the motion and the member who moved the motion, may, without further debate, put the question:"

No restriction is put as to legislative competence or otherwise. There is a proviso which is an additional provision.

> "Provided that where a motion is opposed on the ground that the Bill initiates legislation outside the legislative competence of the House the Speaker may permit a full discussion thereon."

Therefore, it is only a proviso. On a special occasion only, where the opposition is on the basis of legislative competence, a fuller discussion may be permitted. It does not mean that only on legislative competence, opposition is permitted. In any event, the supporter of a Bill can neither take part and nor can he take the time of the House. Let him utilise his undoubted ability and capacity some time to read and some time, I find, to mislead.

Shri Jaswant Singh will speak at the appropriate moment. If you want to share with them, let them face the consequences. I thought there is sufficient trouble in U.P. at Varanasi. Why are you joining with them now? Therefore, what he has said is not correct.

SHRI JASWANT SINGH: I would just conclude. The hon. Member has replied himself to the question that he raised. The Chair in its discretion may permit a full discussion if any objection is raised by any Member at the stage of introduction on a piece of legislation or a Bill. You have permitted a fuller discussion as to whether the objection raised by the hon. Members are valid or not valid, and as a part of fuller discussion, I only submitted the point about the legislative competence without wandering into U.P. or Bihar or elsewhere as he has done.

Therefore, we will come to the substance of the measure when we come to it. I submit to the Government and I will reiterate the point that was made earlier in the morning which indeed was accepted by hon. the Prime Minister that the current state or the status of the pubiic sector units must be made known to the Parliament. That will make the debate much more knowledgeable and enlightened.

[*Translation*]

SHRI HARi KISHORE SINGH (Sheohar): Mr. Deputy Speaker, Sir, I am very much thankful to you for providing me an opportunity to speak on this important Bill. Today is very important day in the parliamentary history and post independence period of this country. (*Interruptions*)

[*English*]

SHRI RANGARAJAN KUMARAMANGALAM: Has the office received a notice from the hon. Member because I have not received a copy of it (*Interruptions*)

MR. DEPUTY-SPEAKER: Let us not go into details of the Bill. Let us stick to tha objections as to why we oppose it.

(*Interruptions*)

[*Translation*]

SHRI HARI KISHORE SINGH: Because new Prime Minister has taken oath today and we are paying a homage to the ideology, of Pandit Nehru and National movement on which Industrial Policy of 1956 of making this country self reliant was based. It is very good. He could not have found a more suitable person than honourable Minister of Finance for this purpose.

I respect honourable Minister of Finance very much and he knows it. He has studied in the same university where Shri Jawahar Lal Nehru had studied and his views about public sector, Industrial policy, and in regard to providing relief to the poor of the country and to the workers are known to everybody. He has great achievements to his credit. He had prepared the report of South-South Commission as its Secretary General under the Chairmanship of Nyrere. This report was released in Venzuela. I was present there by chance and I had appreciated that report. But what has happened today? I don't doubt his intention but I have sympathy over his helplessness.

15.00 hrs.

Mr. Deputy Speaker, Sir, why are they playing with the fate of the country? Does the Government want to introduce the new Culture in this country? I have great regard for honourable Mr. Rao and know him for a long time. He is a very able man. But I doubt the intention of his Government and I doubt it because they are going to pledge this country to International Monetary Fund and World bank through sick Industrial Companies (special provisions) amendment bill. I am sorry that this work has been entrusted to Shri Manmohan Singh. He must have certain compulsions. But I do not know it. But I would like to add a point to it. Our company Law and Parliamentary Affairs Minister is a worthy son of a worthy father, who had given speeches in support of public sector in this House. I also want him to remember whatever he has learnt from his able father.

Mr. Deputy Speaker, Sir, the public sector has been criticised every since the introduction of Industrial policy in 1956. Swatantra Party was set up as a result thereof. Mr. Deputy Speaker, Sir, you are an experienced man. You know the fact that since then efforts have been made to discourage setting up of public sector undertakings. I congratulate Mr. Narasimha Rao for paying a homage to the legacy of Jawahar Lal Nehru and Indira Gandhi, the very day he has taken oath. I congratulate him for it but I feel pity on him.

My. Deputy Speaker, Sir, I want to tell you as to how public sector undertaking are defamed. There is a Heavy Engineering Corporation in my State Bihar. I want to know from the honourable minister for Industry and minister of Finance and the Government, the number of Chairmen appointed since its inception. How many chairmen have been changed? How many days has each Chairmen worked? How much its capacity was utilised during its best days? According to my knowledge in 1975-76 Shri Narasimha Rao had prepared a twenty points programme as a general secretary of Congress. According to my knowledge more than 30% of its capacity has never been allowed to be used. The same conspiracy works behind the every undertaking and factory in public sector. Something happened with this undertaking. The orders were placed on Foreign Countries but not on this undertaking. Today you are paying a homage to Malviyaji. He was also its Chairman once.

Mr. Deputy Speaker, Sir, the Government has given me a reply in response to my question today. I asked how many public sectors were headless and since when? I got the reply that there were 25 such big factories which were topless.

SHRI ABDUL GHAFOOR (Gopalganj): What does this topless mean?

SHRI HARI KISHORE SINGH: Shri Manmohan Singh knows it. You also know it (*Interruptions*) There is no Chairman-cum-managing director in Fertilizers and Chemicals Travancore Limited, since 22.3.90. I do not want to go in detail. There is no Chairman-cum-managing director in Hindustan Insecticides Ltd. since 1.3.91. There is no Chairman-cum-managing director in Hindustan news print Limited since 19.4.91. There is no Chairman-cum-managing director in Hindustan Vegetables Oil Corporation Ltd. since 12.7.90. There is no Chairman-cum-managing director in Bongaigaon Refinery and Petrochemicals Ltd. since 11.5.91. There is no managing director in Educational Consultants India Ltd. since 4.1.91. The post of Chairman-cum-managing director is also vacant in N.T.C. (A.P.K.) since 10.9.90. Mr. Thungan was replying just now. He said that he would rehabilitate. Re-habiiitetion Industries Ltd. is headless since 10.1.91. The post of Chairman-cum-menaging director is vacant in Modern Food industry Ltd. since 21.6.91. Vayudoot was a dream of late Shri Rajiv Gandhi. There are so many Minister in the Govarnment who have got these post by virtue of his grace and became the member of this House. Vayudoot was much publicised. Photoes were published in newspapers. I do not want to say who was its partner? Whose fault this was. (*Interruptions*)

[*English*]

SHRI VIJAY NAVAL PATIL (Erandol): It is not a full discussion on the subject.

SHRI HARI KISHORE SINGH: It may be uncomfortable to you.

SHRIMATI BASAVA RAJESWARI (Bellary): We want a ruling from you Sir as to whether we can have a full discussion on the subject now itself.

MR. DEPUTY SPEAKER: Please conclude Mr. Singh. Please don't go into the details. You just tell why you are objecting to it.

SHRI P.C. THOMAS (Muvattupuzha): If you are allowing a discussion, we will all like to take part in it. If the discussion is not being allowed, let them limit their submission to the question of jurisdiction or to the technical aspects alone. But none of them are pointing out any of these aspects. They are indulging in a full and detailed discussion. If that is allowed, we will all like to take part.

MR. DEPUTY SPEAKER: Mr. Thomas and Shrimati Basava Rajeswari both heve raised a point end that point is relevant. We cannot go into the details at this stage. If anybody objects to it, he should tell only why he objects to it. it is just the preliminary stage.

SHRI E. AHAMED: (Manjeri): I may be permitted to quote. Rule 72 says:

> "If a motion for leave to introduce a Bill is opposed, the Speaker, after permitting, if he thinks fit, brief statements from the member who opposes the motion and the member who moved the motion, may, without further debate, put the question."

Now is it a brief statement? There is also the provision that such submissions should not go into details as in a debate. But now it is being made into a debate has member Shri Hari Kishore Singh. He has been mentioning the entire public sector undertakings in this country. It is not correct. In that case we may also be permitted. The Chair can very well permit him provided the Chair is also prepared to permit other Members. But he should not go into the details of the Bill as per Rule 72. (*Interruptions*)

MR. DEPUTY SPEAKER: All the three hon. Members have raised a point of order. That point of order is correct, according to Rule 72, that one cannot go into the details of it. One has to say on what grounds he is opposing it. We shall stick to it. They are perfectly correct. Shri Hari Kishore Singh, Please come to the point.

(*Interruptions*)

[*Translation*]

SHRI HARI KISHORE SINGH: I am saying that Vayudoot is Headless since 7.9.90. Similarly, U.P. Drugs and Pharmaceuticals Ltd. Is headless since 7.4.88. There has been a continuous effort to defame the public sectors to make it sick ever since 1956. I have given an example of that. I oppose this Bill on behalf of my party.

[*English*]

SHRI CHITTA BASU (Barasat): Sir, I rise to oppose the introduction of the Bill.

MR. DEPUTY SPEAKER: Rule 72 is very very limited. So, Shri Nirmal Kanti Chatterjee, Shri Lokanath Choudhury and Shri Bhogendra Jha are the only three Members to speak on this, further.

(*Interruptions*)

SHRI E. AHAMED: Sir, if this is a discussion, we should also be allowed to speak. (*Interruptions*)

SHRI CHITTA BASU: It is not a discussion. Sir, the rule is very clear. Only those who oppose the introduction of the Bill should be allowed to speak, at your discretion. (*Interruptions*)

MR. DEPUTY SPEAKER: Rule 72 is very clear; let us stick to it. Hon. Members need not guide us or ask us to read Rule 72.

(*Interruptions*)

SHRI CHITTA BASU: Sir, I rise to oppose the introduction of the Bill. Firstly, this is an immoral act on the part of the government. I say that it is immoral; and with the *mala fide* intention that they do this. The mere intention of the Bill is - the Statement of Objects and Reasons says - that the Government companies are also to be included in the parent Act, in order to enable the Government to refer it to the BIFR. That means, the intention is to privatise a section of the Government companies. They are not even using the word, 'privatisation'; not even using the word, 'denigration' of the public sector industries. Their intention is to denigrade ad privatise the public sector undertakings. (*Interruptions*)

SHRI SOMNATH CHATTERJEE: Sir, can anybody give a running commentary?

SHRI CHITTA BASU: Sir, I am on my legs; I am on my limited question. Am I not entitled to explain as to why it is *mala fide*?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): You are very much entitled.

SHRI CHITTA BASU: It is *mala fide* because the intention of the Government is to privatise them. They are not saying that in so many words. They are saying that the Act will also take the Government companies which were not included earlier in the parent Act. Therefore the intention is *mala fide* and therefore it is immoral. After all, the Government is the representative of the people; the Government should make its position clear; it should make the objectives clear; it should also state clearly and categorically, the reasons for it. On this count, I oppose it.

Secondly, it is a national policy question. It is a gross violation and flagrant violation of the nationally accepted economic policy of our country as laid down in the Industrial Policy Resolution, 1956. I think, it is within my right whether I should allow this Parliament to take a position which goes against the interests of the nation. You may do it by your vote. You may do it by the majority if you have command over it. I think, they will be there to help the Government to tide over the crisis. Without protest, without objection, without resistance, I can now allow the Parliament to exercise its right which goes directly against the interests of the nation.

It affects the Centre-State relations. It goes against the federal principle of the constitution of our country. Just now, Mr. Hari Kishore Singh was mentioning about

ACC. Do you know that the Bihar Government has taken a decision that if the Central Government decides to close down the ACC, the Bihar Government will resist? (*Interruptions*)

SHRI SONTOSH MOHAN DEV: Why did not they take over? (*Interruptions*)

SHRI CHITTA BASU: You have your own suggestion. If the Bihar Government takes a position that the Central Government's decision to close down the ACC would be resisted, would be opposed, are you not disturbing the Centre-State relations? Are you not disturbing the equilibrium between the Centre and the State? (*Interruptions*) Equally

[*Translation*]

SHRI SOMNATH CHATTERJEE (Bolpur): You Support it also that a man should loose his job.

[*English*]

SHRI CHITTA BASU: Equally, the Government of West Bengal, as far as I remember, have decided to close down certain public sector units which shall render about 50,000 workers unemployed. Therefore, the relationship between the Centre and the State will be in jeopardy. That is not in the national interest.

Lastly, there is the question of mandate also. Did the Government have the mandate of privatisation? Did the Government speak to the people before the election? On the other hand, we have got the mandate. On the 29th of November, the entire working people of the nation will protest against this pernicious, anti-national industrial policy of the country of which it is a part. And this is a part of the surrender package which Mr. Manmohan Singh has already signed. I cannot allow you. This Parliament cannot allow you to barter away the economic and political sovereignty of this country. This Parliament is to protect the independence, sovereignty - economic and political - of this country. Therefore, if these are not the reasons to oppose the introduction of the Bill, what will be the other valid reasons for opposing a Bill on Government's policy?

On these political and economic grounds, I oppose firmly the introduction of the Bill. I hope a good counsel will prevail on Mr. Sontosh Mohan Dev to advise the Government, to advise Mr. Manmohan Singh to withdraw the Bill and save the sovereignty of the country and do not crawl before the International Monetary Fund. Do not crawl before the World Bank. Do not surrender the sovereignty of the country.

with these words, I again want to oppose the introduction of the Bill.

SHRI LOKANATH CHOUDHURY (Jagatsinghpur): Mr. Deputy Speaker, Sir, I oppose the introduction of the Bill. Before the Bill was presented here, our Hon. Finance Minister made a statement outside the country that he was going to close the sick industries. This is clear that it is being done by the influence of the other countries and monopoly houses and the IMF. I oppose it because our national policy, which was pursued so far, is being disrupted by this Government. You know that when the public sector industries were there, the Indian capitalist class did not oppose it because they wanted the infrastructure. Now, the losses incurred by the public sector are due to mismanagement of this Government. The public sector had helped the private sector to grow. Now it is under the pressure of a few individual capitalists of this country who want to control the public sector. The Government should realise that this is not in the interest of the people and the working class of this country.

Thirdly, Sir, the introduction and the passing of this Bill will definitely bring hardships to lot of people. Lots of people will be on the streets. When this Bill will be passed, it will be treated as the blackest day of Indian history. This Government has stuck up to the Nehruvian model and it was Nehru who wanted the public sector to flourish and it is supported by the Directive Principles of the

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Constitution. Now, this Bill is going to violate those principles. Therefore, I oppose this Bill.

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): Sir, it does seem and it may seem even to Shri Santosh Mohan Dev that the Finance Minister is a hurry and he will accept the advices emanating from the International Monetary Fund and has a close mind to all the advices emanating in this House.

Sir, if we look at the economic surveys for the last ten years, we can find that some of them were conducted and reports had been written by Shri Manmohan Singh himself. Credit was taken by the public Sector in those reports that year after year, employment under the private sector was declining since the 1980s and the public sector employment was at least showing a positive rate of growth. This amendment will now change that picture. Unemployment in the country would be intensified because private sector is in no mood and in the name of technology, it has decided not to have an expansion in employment in the industrial sector.

Now, Sir, this Bill will enable the Government of India also to curtail employment. This is one reason why such a thing should be avoided at this juncture.

Secondly, Sir, there is absolutely no doubt in anybody's mind - I am starting from Shri Jaswant Singh - that there are units which appear to be non-viable today for which some of the reasons have been mentioned by our leader, Shri Somnath Chatterjee that there was a deliberate intent to kill the public sector so that the private sector can flourish. After garnering all the benefits from the public sector investments and growing deep, they now want to kill the hen which lay eggs. Sir, that is not the only point. Look at the sick units also. Due to the pressure of the working class movements, due to the pressure of the people elected in the Parliament, there are various units where for the last several years payment was being made only for salaries or wages to be paid to the workers. There is absolutely no technological innovation which we otherwise talk about. They talk about technological lag. Yet, I know of units which are being killed. Even the Minister of Industry had visited one of them. Due to lack of a single boiler for the last ten years, one of the most potential developing units is being killed and tomorrow, it will be one the sick list. Instead of only making payments for wages and salaries, funds should have been provided to have changes in machinery and technology. Now, the next Five Year Plan will have reduced expenditure on the public sector. The ground for it is being prepared so that they do not have spend there and it may be closed. This must be working behind it.

Thirdly, we have demanded legislation on participation or workers in management. And in the list of business for this session, there is a Bill on workers' participation in management. Workers themselves are concerned. We know in several units including the Bharat Udyog Nigam, workers have positive suggestions to make with regard to change of machines, redevelopment of workmen and so on. But the management has refused to listen to them for two reasons. Firstly, that will mean that they are conceding apparently to the superior knowledge of the work force, whom they are expected to lord over. The other reason is that they want to satisfy their bosses by not asking them money for improvement of the industrial units.

Therefore, as I said in the beginning, this Bill has been brought in great haste. Why not first pass the Bill on workers' participation in management? Put that into practice for a year and test your experience. See whether or not, the workers are in a position, with good intentions and help from the Government, to convert the apparently non-viable units into effective and viable ones. Do that first. Come with that Bill and we will pass it unanimously. Test your experience and after one year, you come with this solution. Otherwise, we have to come to the

unfortunate conclusion. We do recognise some genuineness in the thinking of the Finance Minister. But if he in his haste feels that there is no alternative but to surrender to the IMF for which this Bill has to be brought in, then we are sorry to conclude that he is on a wrong move which will personally denigrate him also. Therefore, I oppose the introduction of this Bill partly in order to save him also.

SHRI BHOGENDRA JHA (Madhubani): Mr. Deputy Speaker Sir, I am sorry I have to rise to oppose this Bill. This Bill, from the very backdoor, proposes to make a qualitative change in the direction of our industrial development - industrial development aimed at strengthening our economic, financial, political and national sovereignty. It would have been a more straightforward measure for the Finance Minister to bring an amendment to the Industrial Policy Resolution of 1956 so that the country and this House could have discussed it and arrived at some conclusion. Simply by deleting a portion of the sentence that it does not include a government company as defined in certain sections of the Act, he is trying to make a qualitativa change in our policy rasolution and national objectives. We object to this.

My second objection is that he is trying through this Bill to equate the whole property of the nation, the collective property as owned by our nation on par with some private company owned by a few individuals. That also is not correct. These public sector undertakings were set up in the country as a mother of industries, rather a mother of mother-industries. For example, take the case of Heavy Engineering Corporation, Ranchi, which is capable of producing machines and tools equivalent to one Bokaro Plant each year. The Bokaro Plant is capable of producing 10 million tonnes of steel per year.

I do not think the Finance Minister aims at de-industrialising the country. As you know, the private companies aim at quick ad easy profit. These public sector units were not set up for quick and easy profit. They were set up for providing the basic structures for our industrial development and growth and to guard our economic independence against the international and multi-national companies. So, today a few capitalist companies, a few monopoly houses may be pleased but tomorrow they may have to repent also because these Birlas and Tatas cannot compete with the Fords and Rock Fellers who will economically and industrially invade our country. At that time if the Finance Minister is here, he will have to repent for what he did and what he did not do. So, Sir, taking that aspect into account, I think that this Bill must be withdrawn. Instead, he should bring a straight forward Bill to amend the Industrial Policy Resolution and let it be discused in this House, in the country and then a decision can be taken.

During the last Session, the Finance Minister in this very House stated that this Government stand by the Industrial Policy Resolution of 1956. And this I think was the electoral commitment of the Prime Minister to the people of India who have just now elected him with a thumping majority because it was not Shri Narasimha Rao but the Prime Minister of India who contested the just concluded by-elections. I think this is betraying the people who have reposed their trust in the Prime Minister and the Government led by him. So, Sir, I propose that this resolution must be withdrawn.

There was one Planning Minister in our country, who while in U.S.A. had openly stated that the womb of mother India should be opened to the penetration of foreign capital. That Planning Minister had to go but he brought much discredit to our economy. Our rupee was devalued by 57 per cent. There was a plan holiday, as demanded by the World Bank, for four years. That Minister had to be sacked, and the country went in for some ether policy measures.

The Finance Minister was in Bangkok. He made a statement which has affected our national sovereignty and national interest. I need not remind the Finance Minister and others in the treasury benches how our

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sovereignty was jeopardised when we were enslaved to the East India Trading Company. At that time Mir Jafer did not realise what crime he was committing against himself and against the country. We all know the result. So, Sir, I think the commitment made by the Finance Minister at Bangkok - the commitment made outside the wall of this country for the first time - is very derogatory to our national interest.

Taking all these things into account, I urge upon the Finance Minister and the treasury benches to withdraw the Bill. If they do not do that then I urge upon you to declare this Bill *ultra vires*, unfit for moving in this House because it goes against the basic industrial structure of our country; it violates the basic national policy through the backdoor. So, I urge upon you to rule it out.

SHRI MANMOHAN SINGH: Mr. Deputy Speaker, Sir, I thought that this would be a simple occasion, dealing with the legislative competence but this has become a substantive debate. Let me say that I do welcome this because lots of things have been said and many things are not true. Some are based on fears which are unfounded. Therefore, I greatly welcome this opportunity to allay those fears; to remove those misgivings at the very initial stage of the introduction of this Bill.

15.35 hrs.

[RAO RAM SINGH *in the Chair*]

This is a very simple Bill which deals with a very small part of the public sector which is very sick. Therefore to say that this Bill represents an attempt at privatisation disowning the Industrial Policy Resolution I respectfully submit that too much should not be read into this Bill. I respect the substance of what the hon. Members have said and what Shri Somnath Chatterjee, Shri Acharia, Shri Loknath Choudhury and Shri Jha have said. I have the deepest respect for what they have said. I respect their sentiments. But I do want to submit to them that in all seriousness, if we did not do this, I think, you would be doing the public sector in this country the greatest disservice. If you do not permit us to do what we are doing, then you will be doing the cause of the labour in this country the greatest disservice. If you allow the loss making public sector enterprises to continue in this dismal state year after year, you will be doing the national economy of this country the greatest harm.

I think references have been made about Pandit Nehru. What was the vision of Panditji? When Panditji talked of industrialisation, the public sector having the commanding height, the vision of Panditji was that through the public sector we will recapture the savings of the economy. We will not allow these savings to be frittered away for superfluous luxury consumption. We will flow that back into further investment. But I would respectfully submit that if you have a public sector which does not generate these profits - in fact, it is a net drain on the Budget - how can that public sector perform that sort of a task? In fact by pre-empting the public revenues for loss making activities of this sort, you are preventing a more frontal attack on the problem of unemployment, on the problem of rural poverty, on the provision of social services health and education. Therefore, I would respectfully submit that this limited Bill should not be prevented from being introduced.

There are concerns about the public sector. Those concerns can be discussed. We are ready for a full debate on all these issues. Let me also say about what has been said about me. what I said at Bangkok? It is a published statement and I can give it to any hon. Member of the House. What I said was and I repeat 'patently unviable'. I repeat the words 'patently unviable' public sector units will need be closed down. But for all this, we will have to develop credible social safety nets. I also said for all this, we need to have a national consensus, for discussions with trade unions and political parties. If this is what you are objecting to, then, I am afraid, this is a national policy.

This particular Bill, you are saying is constituting a surrender to the IMF. In fact, this was part of the Budget Speech that I made. This promise that we made to refer sick units in the public sector to the BIFR type of mechanism appears in the Statement on Industrial Policy. I want to assure this House that by saying that we are referring these units to the BIFR, we are not saying that all these units will be closed down. Whatever unit can be rehabilitated, whatever unit can be made viable, you have my assurance that full resources of the Government would be used to make those units viable.

SHRI SOMNATH CHATTERJEE: You can do that without BIFR.

SHRI MANMOHAN SINGH: If we can do that, without BIFR, we will do that. But let me be very honest with you. But if, after all the consultations - this includes consultations with the trade unions - all of us come to a conclusion that a unit is now so obsolete and that it cannot be made viable, then I would respectfully submit that it is in the interest of the country to have a closure process while fully protecting the interests of the working class.

SHRI BHOGENDRA JHA: Then why don't you postpone this Bill for the period, that is for consultation?

SHRI MANMOHAN SINGH: I assure you that our Government is fully committed to protecting the interest of the working class even when in an extreme measure we have to close a unit. But closure is not the first option; closure must be a measure of last resort. And this Bill, therefore, should not be taken as an attempt to make public units further sick, to close them down or to privatise them.

SHRI E. AHAMED: Even now BIFR is not in a position to take up all the requests from the various State Governments as well as other units. Why should then again entrust more responsibilities it and put more burden on them? Why do you not evolve some other mechanism?

SHRI SOMNATH CHATTERJEE: You oppose this Bill.

SHRI MANMOHAN SINGH: A reference was made that how many units the BIFR has revived. The figure that I have before me is that they have passed orders for rehabilitation of 331 units; they have passed orders for winding up 137 cases. So, it is not true that the BIFR is simply a mechanism to wind up sick units. I think that inference is not correct.

I have great respect and regards for Mr. Hari Kishore Singh: He has quoted from the Report of the South Commission. I can quote to him chapter and verse from that very Report. Where it is clearly stated that a profit making public sector is a source of great strength to this country.

SHRI HARI KISHORE SINGH: It is a compliment to you. You have written it. It is a great document.

SHRI MANMOHAN SINGH: I thank you for this. I think that Report included people from Cuba, from China. All of us came to the unanimous conclusion that if public sector units which year after year make losses, do not serve economic purpose, they cannot serve social purpose.

In the month of September, the Central Committee of the Communist Party of China met to consider the same problem. The Prime Minister, Li Peng, told them that the problems that we have in the public sector the Chinese have the same problems. He said, 114 per cent of the public sector units in China are sick; only one-third, he said, is in good health; one-third could be normal and the rest one-third, he said, requires drastic remedies. Therefore, even the Chinese are considering all these things. This has got nothing to do with the IMF. The allergy to IMF is something which I do not share; and the House would like to know that while we say all these things about IMF, the Chinese Government last month invited, with great fanfare, the Managing Director of the International Monetary Fund to open a big

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office in the Capital of China. China is taking loan from the IMF.

SHRI BASU DEB ACHARIA: What about the conditionality?

SHRI MANMOHAN SINGH: I have promised to this House that I am going to lay on the Table of the House the conditionality that we have accepted in this very session. So, you will know what conditions we have accepted. It is an immoral act; we have sold the nation's sovereignty or nation's honour; all these things have been said. I respectfully submit to all those Members, who are very senior Members of this House - I have great regards and respects for them - that these insinuations are based on misconception. The world has changed. I think this country has to change. I sincerely assure you that if we had not done what we had done, today, this very House would have been discussing the issues of very grave unemployment, of worse inflation and the whole disintegration of the social, economic and political fabric of this country.

With these words, I once again request you to grant leave for the introduction of this Bill.

SHRI SOMNATH CHATTERJEE: In his reply, he said, we would like to take this opportunity for explaining to the House and to the country the real policy of the Government with regard to public sector units. He has been wholly ambivalent; he has not said anything, only repeating what he has been saying in the past. We are thoroughly dissatisfied. It is a dangerous Bill, anti-national Bill.

I would like to say that in protest we walk out.

15.39 hrs.

At this stage, Shri Somnath Chatterjee and some other hon. Members left the House

MR. CHAIRMAN: The question is :

'That leave be granted to introduce a Bill to amend the Sick Industrial Companies (Special Provisions) Act, 1985."

The motion was adopted

SHRI MANMOHAN SINGH: I introduce the Bill*.

15.41 hrs.

MATTERS UNDER RULE 377

(i) Need to constitute e committee to look into the dispute between Orissa and West Bengal in respect of village 'Shalhamochi'

[*English*]

DR. KARTIKESWAR PATRA (Balasore): There is an inter-State border dispute between Orissa and West Bengal over the village - 'Shakhamochi' which since independence is part of Daule Gram Panchayat under Bhograi Block of Balasore district in Orissa. There is a primary school (Oriya teaching) sanctioned by the Government of Orissa. Tha voters of this village are always casting their votes in the State of Orissa. But it is a matter of surprise that the Government of West Bengal is frequently claiming this village as a part of their State. The opinion of the people of this village should be taken into consideration to which State they wish to belong. I request the Central Government to form a committee to submit a report regarding this border dispute.

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